



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

SEP 16 1997

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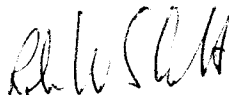
**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-050 National Aeronautics and Space Administration
(NASA) Contract Property Management Delegations (INFORMATION)**

This is an INFORMATION memorandum that expires September 9, 1998. Target audience:
Property Administrators, Plant Clearance Officers.

Attached are NASA's revised standard delegation instructions for performance of property administration and plant clearance. These revised instructions are being incorporated into new NASA contracts, and also replace the standard delegation instructions in effect for existing contracts. Please ensure that all contract property management personnel are aware of these revised instructions. These revised delegation instructions will be contained in the next revision to DoD 4161.2-M, DoD Manual for the Performance of Contract Property Administration.

The point of contact for this information is Mr. Paul Farley, (703) 767-2443 or DSN 427-2443.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment



National
Aeronautics and
Space
Administration

Letter Of Contract Administration Delegation, Special Instructions

1. CONTRACT NO.

2. DELEGATION NO.

This form is to be used to provide special instructions to NASA Forms 1430 and 1432.

3. FUNCTIONAL AREA (Enter applicable functional area in this space, such as Contract Administration, Production Administration, Quality Assurance, etc. Use separate forms for each functional area delegated.)

PROPERTY ADMINISTRATION (June 1997)

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4. SPECIAL INSTRUCTIONS

A. NASA property administration requirements generally correspond to DoD's. The differences, which are described below, will require the cognizant DoD Property Administrator's special attention.

1. Ensure that the contractor's procedures require that requests for facilities (including commercially available equipment) are forwarded to the NASA contracting officer for screening and consent to subcontract prior to acquisition, unless items are for incorporation into special test equipment, special tooling, or deliverable end items listed in the contract. Ensure the contractor's procedures provide for preparation of DD Form 1419 (or equivalent format) for each proposed facilities acquisition. Check for written contracting officer consent during system analysis of the acquisition function.

2. Ensure that the contractor appropriately categorizes all contractor-acquired NASA property. When Government-furnished property has previously been categorized by the Government, ensure that the contractor does not recategorize. Include enough floor-to-records samples of NASA property in system analyses to ensure proper tagging and recording.

3. If the clause at NASA FAR Supplement 1852.245-73, Financial Reporting of NASA Property in the Custody of Contractors, is in the contract, ensure the contractor prepares and submits one original signed NASA Form 1018, NASA Property in the Custody of Contractors, directly to the NASA contracting installation Deputy Chief Financial Officer in time to be received not later than October 31 of each year, concurrently with submission of three copies to the cognizant DoD property administrator. Review the report for accuracy and completeness based on the last system analysis and examination of the contractor's records including acquisitions and disposals. During system analysis, confirm that a clear audit trail to the report from property and other records is maintained. Require correction of the report by the contractor, as necessary, sign, date, indicate system status as of the last system analysis, and forward two copies to the NASA Industrial Property Officer within 10 workdays after receipt. Ensure that corrected copies are so marked.

4. Ensure the contractor's procedures provide for separately tagging (identifying) removable/reusable components of Special Test Equipment (STE).

5. Ensure that the contractor maintains written utilization procedures appropriate for each category of NASA property and promptly requests disposition instructions for all idle property. Ensure that the contractor obtains and maintains on file a written justification signed by the NASA contracting officer and revalidated annually for any idle NASA property that is retained by the contractor. Ensure that rental agreements are in place and rental is paid to NASA for all use, whether commercial or Government, that is not supported by the NASA contracting officer's written rent-free use authorization.

6. Include samples of both contractor-acquired (and subcontractor-acquired, if applicable) and Government-furnished NASA materials and equipment in the acquisition portion of system analyses. Where applicable, include sample of supplies ordered from Government sources using Activity Address Codes. Ensure that NASA property control is separately tested during conduct of system analyses in all areas involving NASA-unique procedures and areas that either DoD or NASA considers to warrant separate sampling.

7. Ensure the contractor's physical inventory procedures provide for a reconciliation of inventory results within 30 days after completion of the inventory.

8. Ensure all cases of loss, damage, or destruction of NASA property, as well as instances of unrecorded property, are promptly investigated, adequately documented, and reported to the cognizant contract administration office, identifying both the causes and necessary actions to prevent recurrence of the discrepancies.

5. NASA CONTACT DESIGNATED FOR THIS FUNCTION

a. NAME

b. PHONE



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PROPERTY ADMINISTRATION (June 1997) (Continued)

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4. SPECIAL INSTRUCTIONS

9. For property reported idle, verify inventory schedule information and submit inventory schedules to the NASA Industrial Property Officer within 30 days. The Industrial Property Officer will acknowledge receipt within 30 days thereafter, advising of the initiation of NASA internal screening or providing disposition instructions. The Agency Screening period will be completed within a maximum of 30 days after the date of the acknowledgement letter. Initiate further plant clearance action upon expiration of the agency screening period or upon receipt of disposition instructions, whichever occurs first. NASA reserves the right to continue screening on the same basis as other Federal agencies until final disposal.

10. Exchange/sale authority for replacement of nonexcess personal property is extended to NASA contractors. Ensure contractor's procedures provide for obtaining prior contracting officer approval and for subsequently reporting any exchange/sale transactions to the NASA installation Property Disposal Officer (PDO) and the Industrial Property Officer.

B. Provide the following data/documents to the NASA Industrial Property Officer designated in Block 5 below:

1. One copy of each Summary of Property Control System Analysis performed for this contractor within 30 days after issuance. When the annual system analysis has been waived, provide a letter so stating and the basis for the waiver. Include a list of NASA contracts and subcontractors covered by the system analysis.

2. Notification of all granting of relief of responsibility for lost, damaged, or destroyed property under this contract within 30 days after issuance. The notification letter should include a description of the property, NASA and contractor tag numbers (if applicable), and acquisition cost.

3. Ensure that the contractor submits the "Final" NASA Form 1018, NASA Property in the Custody of Contractors, showing that all ending balances are zero, within 30 days after disposition of all reportable property if the contract performance period has ended. If the contract performance period has not ended, ensure that the contractor continues to submit "Negative" NASA Form 1018 reports if there are no reportable property transactions during the period. Ensure that the contractor accurately and completely prepares the 1018 paying particular attention to the "Deletions" portion of the NASA Form 1018, citing the method of disposition for all property removed from the contract accountability.

4. One copy of DD Form 1593, Contract Administration Completion Record, or equivalent, for final property closeout purposes within 30 days after disposition of all property under the contract.

These delegation instructions may not be altered without prior coordination with the Director, Logistics Management Office, Code JLG, NASA Headquarters, in accordance with NFS 1845.7203.

5. NASA CONTACT DESIGNATED FOR THIS FUNCTION

a. NAME

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PLANT CLEARANCE (June 1997)

Page 1 of 1

4. SPECIAL INSTRUCTIONS

A. Plant Clearance for NASA should be performed in accordance with FAR 45.6. Additional instructions are outlined below:

1. Ensure that the contractor promptly reports all property as it becomes excess to contract requirements. Review inventory schedules for complete and accurate information adequate for reutilization screening as required by FAR 45.6 including commercial descriptions and accurate condition codes. Inadequate schedules will be returned for correction.

2. Dispose of excess contractor-held property (except special tooling, precious metals and flown hardware) that (a) is under \$5000 per extended line item (\$1000 for furniture), or (b) is in condition 3, 6, 9, X, or S, in accordance with FAR 45.608-1, without submitting inventory schedules to NASA for internal agency screening. Ensure that excess special tooling, precious metals and flown hardware, regardless of condition or acquisition cost, are identified as such and reported to NASA as provided below. In addition, computer equipment and other excess research property regardless of acquisition cost that is eligible for donation to schools under the Stevenson-Wydler Act and/or Executive Order 12999 will be reported to NASA for selection of schools.

3. Forward inventory schedules for all other excess NASA contractor-held property to the NASA installation Industrial Property Officer listed in Block 5 below. Ensure the schedules distinguish between Government-furnished property and contractor-acquired property when submitted by nonprofit institutions of higher education or nonprofit organizations whose primary purpose is the conduct of scientific research (see FAR 35.014).

4. Within 30 days after receipt of acceptable inventory schedules, NASA will either provide disposition instructions or correspondence stating that agency screening is in process and that if disposition instructions are not received within 30 days, the DoD plant clearance officer may proceed to the next level of screening. NASA reserves the right to continue screening during the remainder of the plant clearance process without priority over other requestors. Follow up to determine whether inventory schedules were received if NASA response has not been received within 40 days after mailing.

5. Ensure all NASA tags and other identification as NASA property are removed or obliterated prior to disposition of property other than by return to NASA or reutilization on other NASA programs/contracts.

6. Ensure that any proceeds of sale, clearly identifying the contractor and contract, are forwarded either to the NASA installation financial management office or are credited to the contract, as directed by the NASA contracting officer in accordance with FAR 45.6 and the Government property clause of the contract.

7. Upon completion of the plant clearance case, forward to the NASA Industrial Property Officer listed below an SF 1424, Inventory Disposal Report, or NASA approved equivalent.

8. Ensure that the contractor accurately and completely prepares the "Deletions" portion of the NASA Form 1018, NASA Property in the Custody of Contractors, citing the method of disposition for all property removed from the contract accountability.

These delegation instructions may not be altered without prior coordination with the Director, Logistics Management Office, Code JLG, NASA Headquarters in accordance with NFS 18-45.7203.

5. NASA CONTACT DESIGNATED FOR THIS FUNCTION

a. NAME

b. PHONE